United Nations A/C.2/59/L.26

General Assembly

Distr.: Limited
4 November 2004

Original: English

Fifty-ninth session
Second Committee
Agenda item 83 (d)
Macroeconomic policy questions: commodities

Qatar:* draft resolution

Commodities

The General Assembly,

Recalling its resolution 58/204 of 23 December 2003, and stressing the urgent need to ensure its full implementation,

Recalling also the United Nations Millennium Declaration adopted by heads of State and Government on 8 September 2000,[1]

Recalling further the Monterrey Consensus of the International Conference on Financing for Development,[2]

Recalling the Plan of Implementation of the World Summit on Sustainable Development,[3]

Recalling also the Programme of Action for the Least Developed Countries for the Decade 2001-2010,[4] and taking note of the *Least Developed Countries Report, 2004*,[5]

Taking note of developments in World Trade Organization negotiations, particularly on agricultural trade,[6]

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* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[4] See A/CONF.191/13, chap. II.

[5] United Nations publication, Sales No. E.04.II.D.27.

[6] See A/59/304.

04-59269 (E) 051104

Taking note also of the São Paulo Consensus adopted at the eleventh session of the United Nations Conference on Trade and Development, in particular paragraph 100 and part B of the annex,[7]

Taking note further of the report of the Trade and Development Board on its fifty-first session,[8]

Recognizing that commodity prices are an important element for heavily indebted poor countries that are dependent on commodities for maintaining long-term debt sustainability,

Recalling the targets set out in the Rome Declaration on World Food Security and the Plan of Action of the World Food Summit[9] and the outcome document of the World Food Summit: five years later,[10] which reaffirms the pledge to end hunger and poverty,

1. *Takes note* of the report of the Secretary-General on world commodity trends and prospects,[11] including the fact that the real prices of many commodities remain on a declining trend;

2. *Recognizes* that many developing countries are highly dependent on primary commodities as their principal source of export revenues, employment, income generation and domestic savings and as the driving force of investment, economic growth and social development;

3. *Reiterates* the importance of maximizing the contribution of the commodity sector for sustained economic growth and sustainable development, while continuing diversification efforts in commodity-dependent developing countries;

4. *Calls upon* the international community to address the loss of competitiveness and the negative commodity production and trade trends and to implement the measures necessary to improve livelihoods and food security in commodity-dependent developing countries;

5. *Recognizes* that structural changes in international commodity markets, particularly the increasing concentration in trade and distribution, constitute new challenges for small farmers, commodity producers and exporters in developing countries;

6. *Also recognizes* that developed countries account for two thirds of world non-fuel commodity imports, and emphasizes in this regard the crucial role developed countries have in establishing conditions in international commodity markets that are favourable to commodity-dependent developing countries;

7. *Encourages* the relevant international organizations, including the Food and Agriculture Organization of the United Nations, the United Nations Conference

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[7] TD/412, part II.

[8] A/59/15 (Part V). For the final text, see *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 15*.

[9] Food and Agriculture Organization of the United Nations, *Report of the World Food Summit, 13-17 November 1996* (WFS 96/REP), part one, appendix.

[10] Ibid., *Report of the World Food Summit: five years later, 10-13 June 2002*, part one, appendix; see also A/57/499, annex.

[11] A/59/304.

on Trade and Development and others, to enhance their efforts in the development and implementation of commodity-risk-management mechanisms to address the commodity problems in developing countries;

8. *Notes* that the supply capacity and adaptability of many countries is constrained by weak institutional and technical capacity, and calls upon developed countries and international organizations to make the necessary external resources, as well as capacity-building and institution-building support, available to those countries to further the development of their commodity sectors;

9. *Expresses its concern* about the difficulties experienced by the developing countries in financing and implementing viable diversification programmes, which are essential for sustainable development and for gaining access to markets for their commodities;

10. *Notes with concern* the decrease in official development assistance to agriculture, urges the donor community to reinforce its assistance to this sector, and also urges donor countries and organizations to increase their financial and technical support for activities aimed at addressing commodity issues, in particular the needs and problems of commodity-dependent developing countries;

11. *Recognizes* that market exigencies can constitute formidable challenges to developing country commodity producers and exporters, in particular small farmers, and urges both developed and developing countries to take all steps necessary to enable those producers to enter global supply chains and to implement measures to facilitate their effective participation in such chains, and calls upon the private sector to promote partnerships that contribute to the effective participation of small producers in supply chains;

12. *Encourages* developing countries to formulate specific commodity policies, creating an environment that provides incentives for rural producers and small farmers as part of their national development strategies and programmes, and encourages donor countries and organizations to provide the necessary support;

13. *Stresses* the importance of continuing the diversification of the commodity sector and enhancing its competitiveness in developing countries that are heavily dependent on commodities, and in this regard encourages donor countries and organizations to provide the necessary support;

14. *Regrets* that schemes to mitigate earnings shortfalls are far from reaching the originally envisaged goals, and urges donor countries and organizations to support the development of operational market-friendly compensatory financing schemes;

15. *Reiterates* the role of the United Nations Conference on Trade and Development in addressing commodities issues in a comprehensive way in accordance with relevant General Assembly resolutions and the provisions of the São Paulo Consensus,[7] and in this regard invites the developed countries to provide additional resources to enable the United Nations Conference on Trade and Development to undertake those activities;

16. *Requests* the Secretary-General of the United Nations Conference on Trade and Development to prepare, in cooperation with other relevant organizations, a comprehensive framework for action on commodity sector development, and

encourages those organizations to contribute to the implementation of this framework;

17. *Notes with concern* that the real prices of many commodities are still at historically very low levels, and requests the United Nations Conference on Trade and Development to explore ways of addressing this problem and of dealing with persistent oversupply situations through international and national actions;

18. *Urges* those stakeholders that have expressed an interest in participating in the International Task Force on Commodities launched at the eleventh session of the United Nations Conference on Trade and Development, as well as other interested parties, to contribute financially and substantively to the effective operation of the Task Force, and encourages other donor countries and organizations to participate;

19. *Requests* the United Nations Conference on Trade and Development to make recommendations on the establishment of a commodities diversification fund, focusing on developing private sector capacity, strengthening market institutions, developing strong producer associations for commodities with a proper role for producers, including women and small farmers, developing key infrastructure and stimulating investment;

20. *Requests* the Secretary-General of the United Nations Conference on Trade and Development to submit a report on the implementation of the present resolution and to report on world commodity trends and prospects to the General Assembly at its sixty-first session;

21. *Decides* to include in the provisional agenda of its sixty-first session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "Commodities".